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## FISCAL TOPICS

Fiscal Services Division

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## Special License Plates



*Grinnell College Special License Plate in 2019.*

### Purpose and History

Special license plates have a graphic design related to an organization, concept, or interest. They are an alternative to standard Iowa license plates, for which only digit and letter configurations are customizable. There are currently more than 70 types of special plates available in Iowa, including 24 associated with the military. Special plates are not available for motorcycles or small trailers. As of May 30, 2019, there were more than 191,000 special plates issued in Iowa.

### Legislative Process

For the creation of a special license plate through the legislative process, the special license plate concept must be in the form of legislation sponsored by a legislator or by a Senate or House committee. The legislation must then be approved by both legislative chambers and the Governor. The legislation may provide for additional requirements before production is authorized.

### Administrative Process

- **Emblem Process** (Prior to January 1, 2017)

[761 IAC 401](#) provided for an alternative to the legislative process. An individual, group, or State department was permitted to submit a proposal for a new “emblem” special license plate to the Department of Transportation (DOT). If the DOT approved the proposal, then the requestor had one calendar year to submit 500 paid applications before the new plate could be manufactured or issued.

- **Decal Process** (Since January 1, 2017)

In 2016, [HF 617](#) (Special Vehicle Registration Plates — Nonprofit Organization Decals) modified Iowa Code section [321.34](#)(13) by introducing the use of decals to replace the emblem process. Under this legislation, a 501(c)3 nonprofit organization may apply for permission to distribute decals. Once approved, organizations are responsible for producing and distributing the decals. Unlike the emblem process, there is no minimum threshold of applicants before a decal design is eligible. As of May 2019,

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### More Information

Iowa DOT List of Personalized and Special License Plates:

[iowadot.gov/mvd/vehicleregistration/vehicleregistration/plates/plates](http://iowadot.gov/mvd/vehicleregistration/vehicleregistration/plates/plates)

LSA Staff Contact: Rodrigo Acevedo (515.281.6764) [rodrigo.acevedo@legis.iowa.gov](mailto:rodrigo.acevedo@legis.iowa.gov)

there were 23 available decal designs on the DOT website.



*Decal Special License Plate in 2019.*

### **Fees**

The total fees collected from special license plates, including initial issuance and annual registration fees, are deposited in the Road Use Tax Fund (RUTF). The annual renewal fee, if any, is termed a “validation fee.” The fee is paid in addition to the annual vehicle registration fee.

For special license plates sponsored by a State agency, a special license plate fee or “alternative fee” is collected and designated for transfer to a specified special fund.

### **Colleges and Universities**

- Public — Under Iowa Code section [321.34\(7\)\(b\)](#), additional fees related to special license plates for the University of Iowa, Iowa State University, and the University of Northern Iowa are transferred for the use of scholarships at the respective institutions.
- Private — Under Iowa Code section [321.34](#), additional fees related to special license plates for private institutions are transferred to the RUTF.

### **Agency-Sponsored Plates**

Special license plates sponsored by an agency may split revenue between the RUTF and a special fund. For example, the additional fees for the breast cancer awareness plate established in Iowa Code section [321.34\(23\)](#) are directed to the Department of Public Health for breast cancer screening grants.

### **Nonagency-Sponsored Plates**

All fees collected from non-State agency-sponsored plates are deposited in the RUTF. An example of this type of plate is the amateur radio plate established in Iowa Code section [321.34\(3\)](#). As of 2017, new special license plate designs sponsored by private organizations utilize the decal process.

### **Decal Plates**

Iowa Code section [321.34\(13\)](#) allows private organizations to apply for the authorization to produce and distribute a decal to place on the decal special license plate. An example is the decal sold by the Iowa Arboretum. The revenue from decals sold remains with the private organization authorized to distribute the decal design.

### **Other States**

Of the states bordering Iowa, South Dakota offers a similar special license plate process. Both states offer or have offered emblem plates and decals for organizations. Like Iowa, the decal process works through a state agency. Of other bordering states, Illinois approved a universal decal license plate in 2015 for nonmilitary groups. The decal requires at least 2,000 signatures from interested people before going into production. As of May 2019, the plate was not available, but a design for a monarch butterfly decal had reached 2,000 signatures. Minnesota and Nebraska require legislative action for special license plate designs. Wisconsin handles special group license plates through the Wisconsin Department of Transportation. With the exception of military-related plates, Missouri special license plate ideas are first submitted to the Missouri Department of Revenue, which forwards them to the legislature. Military-related plates require only legislative action. The following table summarizes the state agencies responsible for the distribution of special license plates, the type of approval process, and type of plate designs currently produced or planned for production.

### Special License Plates in Iowa and Bordering States

State	State Agency	Approval Process	Type
Illinois	Secretary of State	Legislative or Administrative	Emblem/Decal*
Iowa	Department of Transportation	Legislative or Administrative	Emblem/Decal
Missouri	Department of Revenue	Legislative and Administrative**	Emblem
Minnesota	Department of Public Safety	Legislative	Emblem
Nebraska	Department of Motor Vehicles	Legislative	Emblem
South Dakota	Department of Revenue	Legislative or Administrative	Emblem/Decal
Wisconsin	Department of Transportation	Legislative or Administrative	Emblem

\* Illinois passed legislation for a decal plate, but the option was not available as of May 2019.

\*\* Missouri special plates are handled by an administrative process, then referred to the legislature. Special plates related to U.S. Military and military organizations are handled solely by the legislature.

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